



NORTHEAST IDAHO

BONNEVILLE, BUTTE, CLARK, CUSTER, FREMONT, JEFFERSON, LEMHI, MADISON, & TETON COUNTIES

LABOR FORCE & EMPLOYMENT

The seasonally adjusted unemployment rate for the Bonneville Labor Market Area (LMA) was 3.6 percent, down one-tenth of a percentage point from the previous month and from March 2000. The LMA's rate was 1.0 percentage point lower than the state's rate of 4.6 percent and seven-tenths of a percentage point lower than the national rate of 4.3 percent.

February to March 2001 experienced an increase of 830 persons in the *Civilian Labor Force*. Unemployment decreased by 80 and total employment increased by 920. From March 2000, the *Civilian Labor Force* increased by 1,850 people, unemployment decreased 30, and total employment increased 1,880.

Bonneville County held the lowest unemployment rate in the Bonneville LMA at 3.2 percent, followed by Jefferson, Butte and Bingham counties at 3.6, 3.8 and 4.4 percent, respectively. Idaho Falls, the largest city in the LMA, fell to an unemployment rate of 3.4 percent, down two-tenths of a percentage point from February 2001 and March 2000.

Nonfarm Payroll Jobs increased by 890 over the month, for a total of 62,020 jobs in the LMA. Those industries that added 100 jobs or more are *Construction*, *Manufacturing*, *Wholesale Trade*, *Services*, and *Government Administration*. A mild and early spring helped *Construction* to start early, and an increase of 270 jobs came primarily from *Heavy Construction* and *Special Trades*. *Manufacturing* saw an increase of 100 jobs, with *Fabricated Metal* (40 jobs) and *Other Nondurable Goods* (50 jobs) being the significant contributors. *Wholesale Trade* increased 120 jobs, with equal contribution from *Durable Goods* and *Nondurable Goods*. *Services* saw a few changes over the month, but ended up with a net increase of 150 jobs. Losses were seen in *Amusement & Recreation* (40 jobs) and *Engineering & Management* (60 jobs). Bechtel, the main contractor for the National Engineering and Environmental Laboratory (INEEL), announced layoffs, which have caused some to start looking for other employment (see Special Topic below). *Government Administration* added 120 jobs to gear up for the summer season.

Northeast Idaho Table 1: Labor Force & Employment
Bonneville, Bingham, Butte, & Jefferson counties

	March 2001*	Feb 2001	March 2000	% Change From	
				Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
Seasonally Adjusted					
Civilian Labor Force	82,520	81,690	80,670	1.0	2.3
Unemployment	2,980	3,060	3,010	-2.6	-1.0
% of Labor Force Unemployed	3.6	3.7	3.7		
Total Employment	79,540	78,620	77,660	1.2	2.4
Unadjusted					
Civilian Labor Force	80,980	80,090	79,210	1.1	2.2
Unemployment	3,320	3,820	3,360	-13.1	-1.2
% of Labor Force Unemployed	4.1	4.8	4.2		
Total Employment	77,660	78,270	75,850	-0.8	2.4
JOBS BY PLACE OF WORK					
Nonfarm Payroll Jobs**	62,020	61,130	60,700	1.5	2.2
Goods-Producing Industries	8,720	8,350	8,700	4.4	0.2
Mining & Construction	3,500	3,230	3,430	8.4	2.0
Manufacturing	5,220	5,120	5,270	2.0	-0.9
Food Processing	2,750	2,740	2,880	0.4	-4.5
Ind. & Com. Mach. & Computer Equip.	460	460	520	0.0	-11.5
All Other Manufacturing	2,010	1,920	1,870	4.7	7.5
Service-Producing Industries	53,300	52,780	52,000	1.0	2.5
Transportation, Comm., & Utilities	2,210	2,170	2,350	1.8	-6.0
Wholesale Trade	6,070	5,950	6,040	2.0	0.5
Retail Trade	11,320	11,260	11,270	0.5	0.4
Finance, Insurance, & Real Estate	1,890	1,870	1,830	1.1	3.3
Services	21,340	21,190	20,350	0.7	4.9
Government Administration	5,120	5,000	4,680	2.4	9.4
Government Education	5,350	5,340	5,480	0.2	-2.4
*Preliminary Estimate					
**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month					

A comparative year-to-year overview showed increases in many industries, with *Services* showing the largest gain of 990 jobs. *Engineering & Management* increased 330 jobs while *Business Services* closely followed with 260 jobs. *Social Services* and *Ag Related Services* both added over 100 jobs. *Government Administration* increased by over 400 jobs and *All Other Manufacturing* increased by over 100 jobs. Losses of just over 100 jobs were seen in *Transportation, Communication, & Utilities*; *Manufacturing (Food Processing)*; and *Government Education*. *Nonfarm Payroll Jobs* increased by 1,320.

SPECIAL TOPIC:

The INEEL to Experience Changes

Just shortly after the start of the New Year, Bechtel BWXT Idaho, LLC (INEEL's main contractor) announced a hiring freeze. The announcement stated that officials would be looking over the budget to see what changes, if any, they would need to make. Employees were issued a memo stating Bechtel would be undertaking actions. Almost three months later, Bechtel's employees were sent letters and the public was informed that a reduction of force would be going into effect as soon as approval of conditions came through and could affect around 1,200 employees over the next 18 months. The best-case scenario is that Bechtel could expect a flat budget, while cleanup costs keep escalating.

Now, reality shows the company could lose 15 percent of its budget in the coming year.

Bechtel says that funding cuts to various Energy Department programs have strong ripple effects on the INEEL. Cuts will be seen in cleanup, nuclear energy research, renewable energy, environmental research, subsurface science, cleanup technology and energy-efficient transportation.

The contractor is offering early retirement to entice some employees to leave, but will not offer cash payment as its predecessor, Lockheed Martin, did. Employees that are at least 55 years of age and have worked at the INEEL for more than five years have until June 18 to decide if they want to take the early-out option (they will add three years of age and three years of service to calculate the benefits paid from the company-funded retirement plan). Following that round of cutbacks, a voluntary separation with incentives option will be available to employees this fall. Then, layoffs could follow if the workforce is still too large.

In 1994, Lockheed Martin reduced its workforce by about 3,000 jobs and avoided layoffs when it took over as main contractor for the INEEL. Early retirement, voluntary separation, and attrition were used and cash payments were offered to early retirees. Several companies were created in spin-offs from this reduction and many employees received additional schooling in order to find different employment. Affected counties lost 1,561 people from the labor force, but the unemployment rate decreased and population increased by 1,797 over the same time period. Areas that had been dependent on the site realized that they needed independence and started looking to diversify. Although many are still in the diversification mode, the economy is not nearly as dependent on the INEEL as it once was.

AREA DEVELOPMENTS:

Agricultural Happenings and Bingham County

With four counties (Bonneville, Butte, Clark, and Jefferson) in Northeast Idaho already having been declared drought disaster areas, farmers are facing a hard time. Insufficient snow pack in the mountains and higher elevations has given no alternative to some canal companies that have advised their customers water is likely to be cut short in the growing season. Farmers are contemplating what crops, if any, to grow. Potatoes are seriously damaged if they do not get adequate water towards the end of the growing season. Hay requires about as much water as potatoes do to grow; however, many farmers harvest hay several times before season's end. They could possibly manage to get a few cuttings in now since spring has come early. Yet, not many crops bring in the cash that potatoes have the potential to bring in. This makes for an interesting year, agriculturally speaking.

As if low water levels are not bad enough, the area faces many other hurdles in the gamble of farming and feeding a nation. The threat of power shortages have been an incentive for farmers to sell their power and get something out of a very risky growing season. Many fields will sit vacant

this year or crops will be planted in hopes of Mother Nature kicking in with a little humidity. An oversupply of potatoes this past year lowered the price and led many farmers to work together to cut supply in hopes of bringing the price up. Many potatoes have been sent to the needy by organizations willing to pay for shipping and handling. USDA's Agricultural Marketing Service even stepped in to pay russet potato farmers a penny a pound for potatoes they give to charity, ethanol processors, feed to cattle or bury in the ground.

Madison County

A biotech manufacturing company, Ttest, announced its plans to locate in Rexburg. It is on the cutting edge for R&D on saliva test strips to test blood alcohol levels as accurately as 0.02-0.3%. The strips are contained in a small packet, and are no larger than a toothpick with a swab at the end. The company is also in the process of coming up with other enzyme systems testing for pregnancy, breast cancer, illegal drugs, nicotine, HIV and prostate cancer. It has been manufacturing its strips out of several different locations in California. When the Rexburg facility is built, it will combine operations to that one facility. The company picked Rexburg because of the warm reception and great dedication of the people interested in their business. Company officials said these actions were very evident and they could see a strong sense of community involvement and international involvement (multi-lingual capabilities and service activity) in the people there. Also, Regional Development Alliance (RDA) has offered funding of \$475,000 to begin construction.

The company will start building a 25,000-square-foot manufacturing facility on 4.6 acres of land donated by the city in the Rexburg Business Park on Salem Road (just over from Artco). The city has given it the address One T Test Way. The building will be started in June, with a projected completion date of February 2002. It hopes to expand to a 100,000-square-foot facility in the future and is allowing for that in the building plans. It should employ 100 people within the first year and add an additional 300 employees in years 2 to 3. Ttest says it will have 300 to 500 employees within five years. It will be employing a range of people from line workers to lab techs and researchers, and the *Post Register* states wages will range from \$7.50 to \$40 per hour, depending on the position. At this point, interested applicants should contact Rexburg Job Service at 356-4451 or Madison Economic Development Corp. at 356-6484 to get their names on a list to be supplied to the company when it is ready. For more information on the company, go online to <http://www.ttest.com>.

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